London Councils

The voice of London local government

Net Zero Review

Overview

London Councils welcomes the contribution of the <u>independent Net Zero Review</u> led by Chris Skidmore MP to the development of strong net zero policy in the UK. It echoes many of London Councils' key messages, as well as those of local government partners, in particular the need to secure effective local government funding and embed our role as a key delivery partner.

Funding net zero

- The review is clear that the "government should simplify the net zero funding landscape
 for all local authorities by the next Spending Review". London Councils strongly
 supports this recommendation. We have consistently argued that the government
 should reduce the complexity of net zero funding to local authorities and ensure that
 long term commitments are made to future programmes.
- Providing long term, secure funding for net zero carbon projects is good for the economy, as it provides certainty for suppliers, skills providers and employers, thereby growing the number of good green jobs and the scale of investment in key green economy areas like retrofit. London Councils believes it is crucial that government goes further, by increasing the amount of available funding and finance, and giving local authorities and places more control, to support strategic local delivery.

Unlocking private finance

- The review heard that for many local authorities "aggregating projects into an investible size and scale is a challenge" and argues "government must provide additional support to make sure regions can attract green investment and build regional green clusters".
- The review also recommends that the government should "publish an overarching financing strategy covering how existing and future government spending, policies, and regulation will scale up private finance to deliver the UK's net zero enabled growth and energy security ambitions".
- 3Ci, Cities Commission for Climate Investment, of which London Councils is a founding
 member, is developing an innovative model to secure blended finance. This is required to
 deliver national and local net zero aspirations. London Councils welcome the review's
 findings, but we argue that the government should go further in supporting and
 providing certainty to investors on private finance for local net zero delivery.

Improving relationships between all levels of government

• The review notes that the importance of the central-local government relationship to the net zero pathway "cannot be overstated". London Councils has welcomed the opportunity to engage with the Department for Business, Energy and Industrial



Strategy, and other departments, through the Local Net Zero Forums, and to build on the relationship between central and local government. London Councils believes that all government departments engaged in the different aspects of reaching net zero should understand and invest in local government as a delivery partner.

The review recommends that "relevant ministers from across government should attend
the Local Net Zero Forum on a regular basis". Whilst we would welcome improved
political engagement within the Forum, occasional attendance will likely not be
enough to drive effective collaboration. Regular high level political meetings should
be established to help drive delivery. Working in a truly collaboratively way will further
support the net zero delivery in London and communities across the country.

A shared local net zero framework

- The review outlines a "lack of clarity around roles and responsibilities which is creating blocks in the system for those local authorities that want to be proactive in delivering net zero." It recommends that "a high-level framework and an agreement to close future partnership working between central and local government would help provide clarity, certainty, and accountability for local areas."
- London Councils welcomes this recommendation. We will only meet the UK's net zero target if the role of local government is recognised, and roles and responsibilities are clearly defined. We have previously argued that a lack of a clear framework leads to avoidable confusion about the actions local authorities should be taking to tackle carbon emissions in their area, as well as creating avoidable duplication in work.

Planning

- The review argues that the planning system presents a major barrier to net zero action, and recommends that "the government should reform the local planning system and the National Planning Policy Framework (NPPF) now."
- London Councils believes that local planning and building regulations are key to enabling local government to channel local investment and shape thriving places and economies that deliver on net zero. The planning framework should include robust minimum standards for environmental placemaking, but with local discretion and powers for local authorities to innovate locally and set additional frameworks above these minimums.
- We would like to see planning regulations and levers that empower local authorities to
 protect and expand green infrastructure including low-carbon affordable housing, and
 stronger policy requirements for energy efficiency, low-carbon development, retrofit, and
 renewable local energy networks.
- The Levelling Up and Regeneration Bill and proposed changes to the NPPF could go
 much further in meeting these ambitions. The proposed increase in planning fees,
 together with additional targeted funding, should be expedited to help resource this
 crucial work.

You can read London Councils' written submission to the Net Zero Review, at this link.

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London Councils represents all 32 London boroughs and the City of London.

